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sales and income for financing education. From 1059 until 806, the reliance was generally 60 percent from property and 40 percent from sales and income taxes. Throughout the ensuing years, the people of this state became increasingly critical of what they determined was an overreliance on property tax and a belief that it was necessary for schools, as well as other political subdivisions, to reduce their spending. Traditionally, farmers and ranchers had always pushed for reduced reliance and dependence on property tax, but in recent years they were joined by homeowners in our urban areas. The Legislature realized the need to develop a legislative agenda that would respond to the demand for property tax relief, or face a petition process that, in many individuals' minds...opinion, would have created havoc. The process was set in place with LBs 1114 and 299. The process was continued with LBs 713, 806, 271, 989, and several other measures. On December 1 of 1998, the result of all of these initiatives intermingled in unexpected ways. How they impacted one another triggered the need to analyze the problem and develop solutions. The dilemma before us prevents...presents this question--what happened? In December of 1997, a year prior to that, schools received their certification of aid for the 1998-99 school year. December of '97, they received their certification for this school year right now, and they began to plan their budget based on those numbers. As we know, staffing and salary decisions are based on the December information. During the budget process, the local boards of education also determined what course offerings they will be able to offer and, if necessary, what cuts they need to make. It is important to remember that prior to 1114, after notification of their state aid, schools were able to set their local property tax rate to make up any gaps. With 1114, the ability to access that resource is limited. If schools need more than \$1.10 will generate, they have to go to a vote of the people for a levy override. And so, from December of 1997 until the budget was set, schools reviewed their amount of aid, what they could derive from local revenues, and set their budgets for this, the 1998-99 school year. Now, on December 1, when schools found out their certified aid for next year, an additional calculation was done called the "respin", just as it is done every year. Rather than looking forward to what schools should get for the next year, the "respin" looks back at the past year to see if the amount of aid schools